

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,<sup>1</sup>

Reorganized Debtors.

Chapter 11

Case No. 24-12480 (LSS)

(Jointly Administered)

**Hearing Date:**

**September 10, 2025 at 10:00 a.m. (ET)**

**Objection Deadline:**

**August 4, 2025 at 4:00 p.m. (ET)**

**SUMMARY OF FOURTH MONTHLY AND FINAL FEE APPLICATION OF  
PETRILLO KLEIN + BOXER LLP AS SPECIAL COUNSEL  
TO THE DEBTORS AND DEBTORS IN POSSESSION, FOR ALLOWANCE OF  
COMPENSATION AND REIMBURSEMENT OF EXPENSES INCURRED FOR  
THE MONTHLY PERIOD FROM APRIL 1, 2025 THROUGH JUNE 2, 2025 AND FOR  
THE FINAL PERIOD FROM NOVEMBER 3, 2024 THROUGH JUNE 2, 2025**

Name of Applicant:

Petrillo Klein + Boxer LLP

<sup>1</sup> The Reorganized Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies "Plus", LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Reorganized Debtors' headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

Authorized to Provide Professional Services to:	Debtors and Debtors in Possession
Date of Retention:	November 3, 2024 (order entered December 17, 2024)
Interim period for which compensation and reimbursement is sought:	April 1, 2025 through June 2, 2025
Amount of monthly compensation sought as actual, reasonable and necessary:	\$110,293.50
Amount of monthly expense reimbursement sought as actual, reasonable and necessary:	\$0.00
Final period for which compensation and reimbursement is sought:	November 3, 2024 through June 2, 2025
Amount of final compensation sought as actual, reasonable and necessary:	\$2,106,582.50 <sup>2</sup>
Amount of final expense reimbursement sought as actual, reasonable and necessary:	\$1,204,780.50

This is a:   X   monthly   X   final application

This application includes 13.5 hours and \$12,928.00 in fees incurred in connection with the preparation of Fee Applications.

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<sup>2</sup> Due to apparent rounding errors, the aggregate fees invoiced during the course of Petrillo Klein + Boxer LLP's engagement in these chapter 11 cases exceeded, by a total of \$530.50, the computation of fees based on the personnel hours billed to the engagement multiplied by the hourly rates of the respective personnel's hours worked. Accordingly, the amount of final compensation sought as actual, reasonable and necessary has been voluntarily reduced by \$530.50 to account for this discrepancy.

Prior applications:

<b>Date filed / Docket No.</b>	<b>Period Covered</b>	<b>Requested</b>		<b>Approved</b>	
		<b>Fees</b>	<b>Expenses</b>	<b>Fees <sup>3</sup></b>	<b>Expenses</b>
3/11/25 D.I. 1083	11/3/24- 12/31/24	\$628,279.50	\$162,386.50	Pending	Pending
3/17/25 D.I. 1114	1/1/25- 1/31/25	\$436,955.00	\$783,836.00	Pending	Pending
5/23/25 D.I. 1558	2/1/25- 3/31/25	\$931,055.00	\$258,558.00	Pending	Pending
<b>TOTAL</b>		<b>\$1,996,289.50</b>	<b>\$1,204,780.50</b>	Pending	Pending

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<sup>3</sup> As a result of deductions in the amount of \$6,912 made by the fee examiner, the total payment that PKB received for the interim fee periods November 3, 2024 through January 31, 2025 was \$2,004,545 (rather than the \$2,011,457 invoiced).

**MONTHLY COMPENSATION BY INDIVIDUAL**  
**APRIL 1, 2025 THROUGH APRIL 30, 2025**

<b>Name</b>	<b>Position, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice</b>	<b>Hourly Billing Rate</b>	<b>Total Billed Hours</b>	<b>Total Compensation</b>
Guy Petrillo	Partner since 2010. Co-founded firm in 2010.	\$1,385.00	0.20	\$277.00
Joshua Klein	Partner since 2010. Co-founded firm in 2010.	\$1,340.00	8.90	\$11,926.00
Kevin Puvalowski	Joined firm as partner in 2024.	\$1,300.00	2.80	\$3,640.00
Emma Spiro	Joined firm as partner in 2024.	\$1,075.00	2.10	\$2,257.50
Shanice Hinckson	Joined firm as associate in 2025.	\$875.00	4.40	\$3,850.00
Cara Hume	Joined firm as associate in 2024.	\$785.00	6.70	\$5,259.50
<b>Total:</b>				<b>\$27,210.00</b>

**MONTHLY COMPENSATION BY INDIVIDUAL**  
**MAY 1, 2025 THROUGH MAY 31, 2025**

<b>Name</b>	<b>Position, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice</b>	<b>Hourly Billing Rate</b>	<b>Total Billed Hours</b>	<b>Total Compensation</b>
Joshua Klein	Partner since 2010. Co-founded firm in 2010.	\$1,340.00	40.00	\$53,600.00
Kevin Puvalowski	Joined firm as partner in 2024.	\$1,300.00	14.60	\$18,980.00
Caelyn Stephens	Partner since 2024.	\$1,075.00	3.40	\$3,655.00
Cara Hume	Joined firm as associate in 2024.	\$785.00	9.40	\$7,379.00
<b>Total:</b>				<b>\$83,614.00</b>

**MONTHLY COMPENSATION BY PROJECT CATEGORY**  
**APRIL 1, 2025 THROUGH APRIL 30, 2025**

<b>Project Category</b>	<b>Total Hours</b>	<b>Total Fees</b>
Asset Analysis and Recovery	14.90	\$17,760.00
Fee/Employment Applications	10.20	\$9,450.00

**MONTHLY COMPENSATION BY PROJECT CATEGORY**  
**MAY 1, 2025 THROUGH MAY 31, 2025**

<b>Project Category</b>	<b>Total Hours</b>	<b>Total Fees</b>
Asset Analysis and Recovery	64.10	\$80,136.00
Fee/Employment Applications	3.30	\$3,478.00

**MONTHLY EXPENSE SUMMARY**  
**APRIL 1, 2025 THROUGH APRIL 30, 2025**

<b>Expenses Category</b>	<b>Total Expenses (\$)</b>
Expert Services:	\$0.00
<b>Total Disbursements:</b>	<b>\$0.00</b>

**MONTHLY EXPENSE SUMMARY**  
**MAY 1, 2025 THROUGH MAY 31, 2025**

<b>Expenses Category</b>	<b>Total Expenses (\$)</b>
Expert Services:	\$0.00
<b>Total Disbursements:</b>	<b>\$0.00</b>

**SUMMARY OF TIMEKEEPERS INCLUDED  
IN THE FINAL APPLICATION**

<b>Name</b>	<b>Title</b>	<b>Fees Billed in the Final Application Period (\$)</b>	<b>Hours Billed in the Final Application Period</b>	<b>Hourly Rate(s) Billed in the Application Period (\$)</b>
Guy Petrillo	Partner	\$17,312.50	12.50	\$1,385.00
Joshua Klein	Partner	\$927,414.00	692.1	\$1,340.00
Kevin Puvalowski	Partner	\$340,600.00	262	\$1,300.00
Caelyn Stephens	Partner	\$227,040.00	211.2	\$1,075.00
Emma Spiro	Partner	\$5,160.00	4.8	\$1,075.00
Shanice Hinckson	Associate	\$14,875.00	17	\$875.00
David Hoffman	Associate	\$147,482.50	170.5	\$865.00
Cara Hume	Associate	\$336,843.50	429.1	\$785.00
Chanel Thomas	Associate	\$27,365.00	42.1	\$650.00
AnnMarie James	Staff Attorney	\$37,867.50	89.1	\$425.00
Katarina Beardsley	Paralegal	\$14,907.50	44.5	\$335.00
Peyton Sobel	Paralegal	\$9,715.00	29	\$335.00
<b>Total:</b>	<b>\$2,106,582.50</b>			



**SUMMARY OF FINAL COMPENSATION BY PROJECT CATEGORY**

<b>Project Category</b>	<b>Total Hours</b>	<b>Total Fees</b>
Asset Analysis and Recovery	1,915.80	\$2,037,584.50
Fee/Employment Applications	88.10	\$69,528.50

**FINAL EXPENSE SUMMARY**

<b>Expenses Category</b>	<b>Total Expenses (\$)</b>
Expert Services	\$1,204,780.50
<b>TOTAL</b>	<b>\$1,204,780.50</b>

<b>SUMMARY OF FINAL APPLICATION</b>	
Name of Applicant	Petrillo Klein + Boxer LLP
Name of Client	Debtor and Debtor in Possession
Time period covered by Final Application	November 3, 2024 through June 2, 2025
Total compensation sought during the Final Fee Period	\$2,106,582.50
Total expenses sought during the Final Fee Period	\$1,204,780.50
Petition Date	November 3, 2024
Retention Date	December 17, 2024
Date of order approving employment	December 17, 2024
Total compensation approved by interim order to date	N/A
Total expenses approved by interim order to date	N/A
Total allowed compensation paid to date	\$0.00
Total allowed expenses paid to date	\$0.00
Blended rate in the Final Application for all attorneys	\$977.50
Blended rate in the Final Application for all timekeepers	\$870.40
Compensation sought in the Final Application already paid (or to be paid) pursuant to a monthly compensation order but not yet allowed	\$2,106,582.50
Expenses sought in the Final Application already paid (or to be paid) pursuant to a monthly compensation order but not yet allowed	\$1,204,780.50
Number of professionals included in the Final Application	12
If applicable, number of professionals in the Final Application not included in staffing plan approved by client	3
If applicable, difference between fees budgeted and compensation sought during the Application Period	<u>Amount Budgeted:</u> \$2,180,000.00 <u>Amount Sought:</u> \$2,106,582.50
Number of professionals billing fewer than 15 hours to the case during the Final Application Period	2
Are any rates higher than those approved or disclosed at retention?	No

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,<sup>1</sup>

Reorganized Debtors.

Chapter 11

Case No. 24-12480 (LSS)

(Jointly Administered)

**Hearing Date:**

**September 10, 2025 at 10:00 a.m. (ET)**

**Objection Deadline:**

**August 4, 2025 at 4:00 p.m. (ET)**

**FOURTH MONTHLY AND FINAL FEE APPLICATION OF  
PETRILLO KLEIN + BOXER LLP, AS SPECIAL COUNSEL  
TO THE DEBTORS AND DEBTORS IN POSSESSION, FOR ALLOWANCE OF  
COMPENSATION AND REIMBURSEMENT OF EXPENSES INCURRED FOR  
THE MONTHLY PERIOD FROM APRIL 1, 2025 THROUGH JUNE 2, 2025 AND FOR  
THE FINAL PERIOD FROM NOVEMBER 3, 2024 THROUGH JUNE 2, 2025**

<sup>1</sup> The Reorganized Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies "Plus", LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Reorganized Debtors' headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

Pursuant to sections 330 and 331 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), and rule 2016 of the Federal Rules of Bankruptcy Procedure, and in accordance with that certain *Order Authorizing the Retention and Employment of Petrillo Klein + Boxer LLP as Special Counsel for the Debtors, Effective as of the Petition Date* [D.I. 453] (the “Retention Order”) and that certain *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [D.I. 353], the law firm of Petrillo Klein + Boxer LLP (“PKB”) hereby applies (this “Application”) to the United States Bankruptcy Court for the District of Delaware (the “Court”) for reasonable compensation for professional legal services rendered as counsel to the above-captioned debtors and debtors in possession (collectively, the “Reorganized Debtors,” and before the Effective Date of the Plan, the “Debtors”), in the amount of \$110,293.50, together with reimbursement for actual and necessary expenses incurred in the amount of \$0.00, for the period from April 1, 2025 through and including June 2, 2025 (the “Monthly Fee Period”) and in the amount of \$2,106,582.50,<sup>2</sup> together with reimbursement for actual and necessary expenses incurred in the amount of \$1,204,780.50, for the final period from November 3, 2024 through and including June 2, 2025 (the “Final Fee Period”). In support of this Application, PKB respectfully represents as follows:

### **BACKGROUND**

1. On November 3, 2024 (the “Petition Date”) each of the Debtors filed a voluntary petition with the Court under chapter 11 of the Bankruptcy Code.

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<sup>2</sup> Due to apparent rounding errors, the aggregate fees invoiced during the course of Petrillo Klein + Boxer LLP’s engagement in these chapter 11 cases exceeded, by a total of \$530.50, the computation of fees based on the personnel hours billed to the engagement multiplied by the hourly rates of the respective personnel’s hours worked. Accordingly, the amount of final compensation sought as actual, reasonable and necessary has been voluntarily reduced by \$530.50 to account for this discrepancy.

2. Pursuant to the Retention Order, PKB was retained to represent the Debtors as special counsel in connection with these chapter 11 cases, effective as of the Petition Date. The Retention Order authorizes PKB to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.

3. All services for which compensation is requested herein by PKB were performed for or on behalf of the Debtors.

#### **SUMMARY OF SERVICES RENDERED**

4. Attached hereto as **Exhibit A** is a detailed statement of fees incurred during the Monthly Fee Period, showing the amount of \$110,293.50 due for fees.

5. The services rendered by PKB during the Monthly Fee Period are grouped into the categories set forth in **Exhibit A**. The attorneys and paralegals who rendered services relating to each category are identified, along with the number of hours for each individual and the total compensation sought for each category, in the attachments hereto.

#### **DISBURSEMENTS**

6. PKB has incurred no out-of-pocket disbursements during the Monthly Fee Period and is not seeking reimbursement of any expenses during the Monthly Fee Period.

#### **VALUATION OF SERVICES**

7. Attorneys and paraprofessionals of PKB have expended a total of 92.50 hours in connection with the matter during the Monthly Fee Period.

8. The amount of time spent by each of these persons providing services to the Debtors for the Monthly Fee Period is fully set forth in the detail attached hereto as **Exhibit A**. These are PKB's normal hourly rates of compensation for work of this character. The reasonable value of

the services rendered by PKB for the Monthly Fee Period as counsel for the Debtors in these cases is \$110,293.50.

9. PKB believes that the time entries included in **Exhibit A** are in compliance with the requirements of rule 2016-1 of the Local Rules of the United States Bankruptcy Court for the District of Delaware.

10. In accordance with factors enumerated in section 330 of the Bankruptcy Code, the amount requested is fair and reasonable given (a) the complexity of these chapter 11 cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under chapter 11 of the Bankruptcy Code.

#### **BUDGET AND STAFFING PLAN**

11. PKB and the Debtors have agreed to the budget and staffing plan attached hereto to **Exhibit B** (the “Budget and Staffing Plan”) for the Final Fee Period.

#### **STATEMENT OF APPLICANT**

12. In accordance with *Appendix B Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under United States Code by Attorneys in Larger Chapter 11 Cases* (the “UST Guidelines”), the following statements address the questions set forth under section C.5 of the UST Guidelines:

- a. During the Final Fee Period, PKB did not agree to any variations from, or alternatives to, its standard or customary billing rates, fees, or terms.
- b. The fees sought by PKB in this Final Fee Period are not more than 10% higher than the fees budgeted in the budget provided by PKB to the Debtors for Application Period.
- c. The professionals included in the Application did not vary their hourly rate based on the geographic location of the bankruptcy cases.

- d. The Application as it relates to the Final Fee Period did not include any fees dedicated to revising time records or preparing and revising invoices that would not normally be compensable outside of bankruptcy.
- e. The time period covered by this Application for the Final Fee Period includes approximately 0.00 hours with a value of \$0.00 spent by PKB to ensure that the time entries subject to the First Interim Application comply with the Local Rules of the United States Bankruptcy Court for the District of Delaware and do not disclose privileged or confidential information.

### **BLENDED RATE SCHEDULE**

13. A blended rate schedule, as requested by Appendix B to the UST Guidelines is attached hereto as **Exhibit C**.

### **FINAL FEE PERIOD**

14. This Application also covers the Final Fee Period of November 3, 2024 through and including June 2, 2025. During the Final Fee Period, PKB performed necessary services and incurred disbursements on behalf of the Debtors and their estates. As set forth in prior monthly applications, in accordance with the factors enumerated in 11 U.S.C. § 330, approval of the fees requested for the Final Fee Period is fair and reasonable given (a) the complexity of these cases; (b) the time expended; (c) the nature and extent of the services rendered; (d) the value of such services; and (e) the costs of comparable services other than in a case under this title. In addition, the disbursements for which reimbursement is sought were actual, reasonable and necessary costs (i) incurred while representing the Debtors; and (ii) of preserving the value of the Debtors' estates.

*[Remainder of Page Intentionally Left Blank]*



**CONCLUSION**

WHEREFORE, PKB requests that allowance be made to it in the sum of \$110,293.50 as compensation for necessary professional services rendered to the Debtors for the Monthly Fee Period, and the sum of \$0.00 for reimbursement of actual necessary costs and expenses incurred during the Monthly Fee Period, and final allowance be made to it in the sum of \$2,106,582.50 as compensation for necessary professional services rendered to the Debtors for the Final Fee Period, and the sum of \$1,204,780.50 for reimbursement of actual necessary costs and expenses incurred for the Final Fee Period, and requests such other and further relief as the Court may deem just and proper.

Dated: July 14, 2025  
New York, New York

*/s/ Joshua Klein*

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Joshua Klein

**PETRILLO KLEIN + BOXER LLP**

655 Third Avenue

12<sup>th</sup> Floor

New York, NY 10017

Telephone: (212) 370-0334

*Special Counsel to the Debtors and Debtors in Possession*

**VERIFICATION**

I, Joshua Klein, declare, pursuant to 28 U.S.C. § 1746, under penalty of perjury:

1. I am a Partner in the applicant firm, Petrillo Klein + Boxer, LLP (“PKB”), and have been admitted to the bar of the New York since 1994. This verification is made in support of the *Fourth Monthly and Final Fee Application of Petrillo Klein + Boxer LLP as Special Counsel to the Debtors and Debtors in Possession, for Allowance of Compensation and Reimbursement of Expenses Incurred for the Monthly Period from April 1, 2025 Through June 2, 2025 and for the Final Period from November 3, 2024 Through June 2, 2025* (the “Application”) and in compliance with rule 2016-1 of the Local Rules of the United States Bankruptcy Court for the District of Delaware.

2. I have personally performed many of the legal services rendered by PKB, as special counsel for the Debtors, and am thoroughly familiar with all other work performed on behalf of the Debtors by the lawyers and paraprofessionals at PKB.

3. The facts set forth in the foregoing Application are true and correct to the best of my knowledge, information and belief.

Dated: July 14, 2025

/s/ Joshua Klein

Joshua Klein

**PETRILLO KLEIN + BOXER LLP**

655 Third Avenue 12<sup>th</sup> Floor

New York, NY 10017

Telephone: (212) 370-0334

*Special Counsel to the Debtors and Debtors in Possession*